

## SUMMARY

The Office of Natural Gas & Petroleum Import & Export Activities prepares quarterly reports showing natural gas import and export activity. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the second quarter of 2000 (April through June).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the 5 most recent reporting quarters.

Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.

Attachment C shows volume and price data for gas imported on a short-term or spot market basis.

Attachment D shows the gas exported on a short-term or spot market basis to Canada and Mexico.

**Second Quarter Highlights:** As illustrated below, there were notable changes in activity compared to the second quarter of 1999.

Canadian Imports	827.8 Bcf	up 4.4%
LNG Imports	50.1 Bcf	up 50%
Mexican Imports	0.8 Bcf	down 95%
Total Imports	878.7 Bcf	up 4.3%
Mexican Exports	27.9 Bcf	up 69%
Canadian Exports	11.2 Bcf	up 60%
Japanese Exports	15.1 Bcf	same

See details below for more information.

Alliance Pipeline L.P. began importing small volumes in June for linepack and testing purposes. One new long-term contract was activated when RDO Foods Corp. began importing up to 1,423 Mcf per day for use at its food processing plant in Grand Forks, North Dakota.

LNG was imported from Nigeria for the first time when CMS Marketing, Services and Trading Corporation imported 2.5 Bcf in June. Cabot Energy Service Corporation imported its first cargo of LNG in June, when it imported 2.6 Bcf from Trinidad at the Lake Charles, Louisiana LNG terminal. During the second quarter, five importers of LNG (Distrigas Corporation; Duke Energy LNG; Cabot; CMS; and Semptra Energy Trading Corporation) brought in 23 cargoes from six countries (Algeria, Australia, Nigeria, Qatar, Trinidad, and the United Arab Emirates), totaling 50.1 Bcf.

**Second Quarter Data:** Comparing second quarter 2000 to second quarter 1999 data, total imports under long-term contracts increased. Of this total, long-term Canadian imports increased while long-term LNG imports remained constant. Specifically, **natural gas imports under all long-term contracts** totaled 355.0 Bcf, compared to 351.5 Bcf in the second quarter of 1999. Of this total, **long-term Canadian imports** were up one percent (331.1 v. 327.6 Bcf). The average price of this gas was \$3.15 per MMBtu, which is 58 cents higher than the preceding quarter and \$1.03 or 49 percent higher than the second quarter of 1999. **Long-term LNG imports** remained constant at 23.9 Bcf. Under **LNG long-term imports**, Distrigas imported 17.3 Bcf

from Trinidad at an average price of \$2.94 per MMBtu. Duke imported 6.6 Bcf from Algeria at \$2.78 per MMBtu.

During the second quarter, 88 companies used **short-term authorizations to import** 523.7 Bcf, which is a 6.6 percent increase over the second quarter of 1999 (491.1 Bcf). Of this total, 496.8 Bcf was **imported from Canada** at an average price of \$3.25 per MMBtu, compared to 465.6 Bcf at \$1.93 in the second quarter of 1999, and 543.7 Bcf at \$2.43 in the previous quarter. **Imports from Mexico** totaled 0.8 Bcf at an average price of \$2.97, compared to 16 Bcf at \$2.01 in the second quarter of 1999 and 4.0 Bcf at \$2.36 last quarter. **Short-term LNG imports** totaled 26.2 Bcf for the quarter, compared to 8 Bcf last quarter. Under short-term LNG import contracts, Duke imported 0.9 Bcf from Algeria at an average price of \$2.75 per MMBtu; Semptra imported 3 Bcf from Trinidad at \$3.00 per MMBtu; and Cabot imported 2.6 Bcf from Trinidad at \$2.87 per MMBtu. CMS imported 2.3 Bcf from Australia at \$2.74 per MMBtu; 2.7 Bcf from the United Arab Emirates at \$3.16 per MMBtu; 2.5 Bcf from Trinidad at \$3.81 per MMBtu; 2.5 Bcf from Nigeria at \$3.73 per MMBtu; and 9.6 Bcf from Qatar at \$2.42 per MMBtu.

Approximately 29 percent of the **short-term Canadian imports** occurred at Eastport, ID at an average price of \$3.00 per MMBtu; 23 percent at Port of Morgan, MT at \$3.07; 12 percent at Sumas, WA at \$3.13; 11 percent at Niagara Falls, NY at \$3.68; 10 percent at Noyes, MN at \$3.67; 6 percent Calais, ME at \$3.50; 5 percent at Waddington, NY at \$3.62; and 4 percent at other entry points at \$3.38.

In addition, 14 **short-term export** authorizations were used, exporting a total of 39.1 Bcf of gas. Seven companies exported 11.2 Bcf to Canada, at an average price of \$3.41 per MMBtu. Seven companies exported 27.9 Bcf to Mexico at \$3.48 per MMBtu. Finally, 15.1 Bcf of LNG was exported to Japan at \$4.24 per MMBtu (delivered).

**Year to Date Data:** Comparing the first 6 months of 2000 with the first 6 months of 1999, total gas imports increased 4 percent (1,811.2 v. 1,741.4 Bcf) and total gas exports increased 41 percent (114.4 v. 81.4 Bcf). Canadian imports increased by 75.8 Bcf or 4.6 percent (1,718.7 v. 1,642.9 Bcf); Mexican imports decreased 85 percent (4.7 v. 26.1 Bcf); and LNG imports increased 21 percent (87.8 v. 72.4 Bcf). Exports to Canada increased 104 percent (36.4 v. 17.8 Bcf) and exports to Mexico increased 51 percent (48.0 v. 31.8 Bcf). LNG exports to Japan decreased 5.7 percent (30.0 v. 31.8 Bcf).

This quarter's **focus report** is "The Expanding Role of Natural Gas Imports in Meeting Increased Demand in New England." The quarterly report and future revisions to the report will reside on our Electronic Bulletin Board at (202) 586-7853 and on the Fossil Energy Web Site at <http://www.fe.doe.gov> (click on Regulatory - Natural Gas). Any questions or comments about this report should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at [yvonne.caudillo@hq.doe.gov](mailto:yvonne.caudillo@hq.doe.gov).